

Nursing Facility Provider Assessment

Extend the Assessment in the 2024 Session

LC 160 extends the long term care provider assessment in the 2024 session for another six years through 2032. Unless extended, the assessment will sunset in the middle of the 2025-2027 biennium.

This assessment has been in place since 2003. Since then, Oregon nursing facility providers have generated nearly **\$950 million** to the State, which has leveraged **\$1.7 billion** in federal match under the FMAP rate (currently at roughly 59%).

- ✓ Ensures accessible, affordable care for low-income seniors.
- ✓ Reduces General Fund burden to fund long term care services.
- ✓ Supports quality care, including some of the highest staffing levels in the nation.

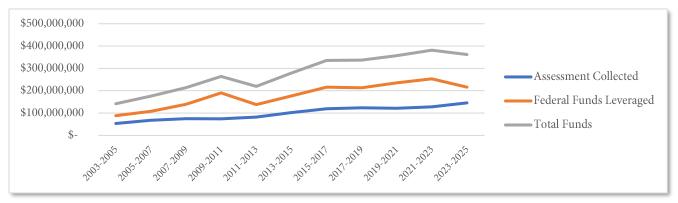
Nursing Facility Tax Background

- Federal law permits states to levy a provider assessment on specified health care entities. At least 43 states currently levy a nursing facility assessment.
- Originally established in Oregon in 2003, the assessment has been extended several times for six years each, most recently in 2018. In 2018, it passed with **strong bipartisan support**, **53-3 and 27-1**.
- All nursing facilities in Oregon pay the assessment, except for the state-owned Oregon Veterans Homes.
- Revenues from the assessment consist of the assessment rate multiplied by the number of patient days for a calendar quarter. Revenues receive federal match along with state general funds to support care for Medicaid beneficiaries.
- The assessment rate is capped at no more than 6% of the annual gross revenue of all nursing facilities. The cap is provided for in federal law as part of a safe harbor exception.
- The current tax rate is \$34.02.

Annual Process for Setting the Assessment Rate

The provider assessment rate is set by the Oregon Department of Human Services (ODHS) on an annual basis, with a new rate going into effect on July 1. Nursing facilities submit cost reports to the State by September 30. ODHS audits and analyzes facility cost reports and populates the provider assessment rate-setting model with cost report bed days and revenue. The new tax rate is set annually by June 15 and providers are notified.

Funds Leveraged to Oregon from the Nursing Facility Provider Assessment



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